

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:4405
ANSWERED ON:24.04.2008
PRODUCTION OF STEEL
Naik Shri Shripad Yasso;Shukla Smt. Karuna

Will the Minister of STEEL be pleased to state:

- (a) whether the Government is contemplating to fix the production of steel commensurate with its consumption;
- (b) if so, the details thereof;
- (c) whether the Government has received any suggestions in this regard; and
- (d) if so, the action taken by the Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI JITIN PRASADA)

(a) & (b): Government is taking steps to facilitate the production of steel through both green-field and brown-field capacity expansion to take care of growing demand of steel. Under the existing policy regime, Government's role is to act as a facilitator and formulate suitable policy for the overall growth of the steel industry including steel production to match the anticipated demand in the country. The production targets, in respect of various kinds of steel products are fixed by the individual producers based on their installed capacities as well on their perception of the market demand. However, considering the fact that the country's steel demand is growing in the 12-13% range over these years. Government has taken various steps in facilitating higher steel production in the country. Some of these initiatives are:-

(i) Steel Authority of India Limited (SAIL) is expanding its crude steel production capacity to 24.84 million tonnes by the year 2011-12 from the current level of 12.84 million tonnes.

(ii) Rashtriya Ispat Nigam Limited (RINL) is also expanding its production capacity to 6.8 million tonnes by the year 2011-12 from the present level of 2.91 million tonnes.

(iii) In order to monitor and coordinate issues concerning major steel investments in the country, Government has constituted an Inter Ministerial Group (IMG) consisting of Secretaries of the Ministries/Departments of Steel, Industrial Policy & Promotion, Railways, Road Transport & Highways, Shipping, Environment & Forest and Mines as well as the Chief Secretaries of concerned State Governments.

(c) & (d): Government has not received any specific suggestion in regard to fixing the production to commensurate with the consumption. However, Ministry of Steel undertakes regular interaction with steel producers and consumers to discuss all relevant issues such as production, demands, distribution, investments, etc., affecting the steel sector in the country. The interaction with the stakeholders acts as important guideline and feedback material in formulation of policy directives undertaken in the Ministry.